

## HCD Multifamily Housing Program Closing Checklist (Permanent Loan)

Project Name: \_\_\_\_\_ Date: \_\_\_\_\_

Borrower: \_\_\_\_\_ HCD Loan Number: \_\_\_\_\_

To ensure timely processing, submit all checklist items well in advance of the anticipated construction loan closing, occupancy, and permanent loan closing dates. At least 90% of all required items must be received by HCD at least 30 days prior to a closing event. Asterisked (\*) items should be submitted at the earliest possible date but no later than 60 days prior to the anticipated closing. If there have been any changes to items previously submitted (marked "PS"), please submit updated document(s). Shaded areas indicate an item for which HCD provides a form or format.

Use of the acronyms herein will have the following meaning: HCD or Department – Department of Housing and Community Development; MHP – Multifamily Housing Program; and M&M – Monitoring and Management Branch.

### A. Items Due Before Construction Loan Closing

Construction and Title		
Status	Item	
1.		Physical Needs Assessment Consultant Qualifications*. See MHP Guidelines for Physical Needs Assessment and Reserve Studies with Model Contract Addendum.
2.		Physical Needs Assessment model contract addendum*. See MHP Guidelines for Physical Needs Assessment and Reserve Studies with Model Contract Addendum.
3.		Draft Physical Needs Assessment*
4.		Final Physical Needs Assessment* (Performed in accordance with MHP Guidelines and model contract agreement)
5.		Replacement Reserve Study. See MHP Guidelines for Physical Needs Assessment and Reserve Studies with Model Contract Addendum.
6.		For rehab projects, submit construction drawings and/or a work write-up detailing work to be performed and any applicable specifications. Work write-up or Scope of Work must be in sufficient detail to show compliance with the recommendations of the PNA.
7.		Statement of Assurances Relating to State Prevailing Wage Compliance. ( See Management Memo 02-1). Must include Contractor signature with License number.
8.		Reports* (e.g. acoustics/noise and other special reports as required).
9.		Current Preliminary Title Report (less than 90 days old)
10.		Ground Lease
11.		<i>(Intentionally left blank)</i>

Environmental and Miscellaneous		
Status	Item	
12.		Relocation Plan*, if there is or will be any displacement, and line item budget showing relocation expenses.
13.		Appraisal showing as-is value of property being purchased (other lender appraisals are acceptable)
14.		Phase I Environmental Site Assessment*.
15.		Asbestos Assessment, if site has existing buildings*.
16.		Lead-Based Paint Report, if site has existing buildings constructed before 1978*.
17.		Phase II Environmental Site Assessment, if recommended by Phase I.
19.		Rental subsidy contracts or commitments.
20.		(Intentionally left blank)

**PROVIDE ITEMS 21-26 ONLY IF A TRI-PARTY AGREEMENT WILL BE REQUIRED OR IF CHANGES FROM THE APPROVED PROJECT REPORT HAVE OCCURRED**

21.		Updated Identity of Interest Disclosure Statement. Identify any persons or entities, including affiliated entities that will provide goods or services to the project either: a) in more than one capacity; or, b) that qualify as a "Related Party" to any person or entity that will provide goods or services to the project, using TCAC's definition of "Related Party".
22.		Project Sources and Uses. Show both the construction and permanent financing periods.
23.		Updated Sources Description. Using HCD format, Project Financing (Sources of Funds). Provide description for both construction and permanent financing periods.
24.		Updated Income Information. Using HCD format, Schedule of Rental Income. (Compare to current State Median Income (SMI) and Area Median Income (AMI) Rent Charts.)
25.		Updated 15-Year Operating Pro forma, using HCD format. Use the assumptions and format specified in the MHP application.
26.		First Year Operating Budget (MHP Format)
27.		Development Timetable, using HCD format

**B. Items Due Before Occupancy (Residential and Non-Residential)**

Status	Item	
1.		Transaction Summary*, using HCD format
2.		Letter from local housing authority transmitting current utility allowance chart, with relevant components circled.
3.		Confirmation of utility configuration and payment responsibilities, using HCD format, Determination of Utility Allowance.

**THE FOLLOWING DOCUMENTS (Items 5-13) MUST BE APPROVED BY HCD'S MONITORING and MANAGEMENT BRANCH. SUBMIT ALL DOCUMENTS 60 DAYS PRIOR TO CLOSING**

4.		Proposal for Management Agent. (Use model format; requires HCD signature)
5.		Management Agreement.
6.		Management Plan Checklist. (Use model format)
7.		Management plan.
8.		Rental Agreement, Exhibits and MHP Lease Addendum; (Use model format for the addendum)

(blank) = Not Required

TBS = To Be Submitted

PS = Previously Submitted

R = Revision of Previous Submission

9.		Appeal and Grievance Procedure. (Model Procedure is available and recommended)
10.		Initial Proposed Operating Budget and Explanation of Budgeted Costs. (Use HCD/M&M format at HCD Website; requires HCD signature)
11.		Schedule of Rental Income. (Use format at HCD Website; requires HCD signature)
12.		Insurance. Submit Evidence of Hazard and Liability Certificate with the Liability Endorsement. (Refer to MHP Insurance Guidelines)
13.		Updated, detailed Supportive Housing or Special Needs Population Project Plan, covering the same topics as the plan required in the MHP application, and including services funding commitments. (Projects with Supportive Housing or Special Needs units only).
14.		Plans for childcare and other supportive services not covered by the previous checklist item. Include detailed plans for any space that will be used for supportive services. Identify service providers, and include agreements between borrower and providers. Specify services to be delivered, services funding source, and criteria for determining eligibility for services.
15.		Lease agreements for child care and other spaces used for supportive services*.
16.		Update of Phase I Environmental Assessment, verifying that remediation work was satisfactorily completed (only if remediation work required).
17.		Evidence of Asbestos and/or Lead Paint Abatement (only if remediation work required).
18.		Environmental Operations and Maintenance Plan (if the property is not free of hazardous substances).
19.		<i>(Intentionally left blank)</i>

### C. Items Due Before Permanent Loan Closing

Status	Item
1.	<b>FINAL TRANSACTION SUMMARY</b> – Borrower confirmation of previously submitted information

**Items 2 – 9 required along with the Transaction Summary before HCD draft loan documents can be prepared**

2.		Updated Project Sources and Uses. Show both the construction and permanent financing periods.
3.		Updated Income Information using HCD format, Schedule of Rental Income
4.		Updated 15-Year Operating Pro forma
5.		Updated preliminary (title) report (no more than 30 days old) with copies of all underlying documents.
6.		ALTA As-Built Survey, performed in accordance with current ALTA/ASCM/NSPS requirements, and showing optional survey items 2, 3, 4, 5, 6, 7(a), 7(b), 7(c), 8, 9, 10, 11(a), 15 and 16 as listed in these requirements, and existing off-site improvements such as sidewalks, curbs and gutters.
7.		Amended Partnership documents, including any amendments to the Partnership Agreement, LP-2, funding agreements, certificate of status from Secretary of State and financial projections (partnership borrowers only).
8.		Corporation documents for corporate general partner or corporate borrower, certificate of status from Secretary of State, and for an LLC, a certificate of status from the Secretary of State.
9.		Other organizational documents and certificates as required by HCD.
10.		All joint use and maintenance agreements (if applicable).
11.		Prevailing Wage Compliance Certificate (HCD format).
12.		Certificate of Completion (HCD format) (Signed by Borrower and General Contractor)
13.		Architect's Completion Certificate (HCD format).

14.		Statement from borrower certifying receipt of all construction warranty documents, and an itemization of these documents.
15.		Final Certificate of Occupancy.
16.		Copy of recorded Notice of Completion.
17.		Relocation Plan Implementation Certification, using HCD format.
18.		TCAC Regulatory Agreement and Form 8609, when available.
19.		Draft Audited Development Cost Certification. ( If Non-TCAC Project, see HCD's Audited Development Cost Certification and Financial Reporting Requirements)
20.		Evidence of Property Tax Exemption, or IRS and Franchise Tax Board letters confirming nonprofit status of borrower (if less than full taxes budgeted).
21.		Permanent Lender Loan Documents and escrow instructions (i.e., Promissory Note, Deed of Trust, Regulatory Agreement, etc.) and any other regulatory restrictions on the property.
22.		Bridge loan documents, where applicable.
23.		Completed MHP Request for Funds Form.
24.		Designated Payee Authorization. (Standard Letter on Borrower's Letterhead)
25.		"As-built" plans and specifications. (Half size plans may be submitted) )
26.		<i>(Intentionally left blank)</i>

By signing below, the Sponsor acknowledges receipt of the Closing Checklist, and understands that failure to submit the required documents, or failure to submit in a timely manner, may result in a loss of the funding commitment, or a delay in loan closing. The Sponsor is advised to contact the assigned Loan Officer with any questions about the required documents.

The Department requires notification when any of the required submittals are amended, rescinded or altered in any way. The Department must approve all changes made to the project subsequent to the date of the award letter.

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Authorized signature (per Resolution)

\_\_\_\_\_  
Date

Please sign and return to: Department of Housing and Community Development  
Community Affairs Division  
PO Box 952054  
Sacramento, CA 94252-2054  
Attn: Multifamily Housing Section

**Retain one copy for your records**